

2SSB 5935 - S AMD TO S AMD (S-5126.1/18) 664
By Senator Short

NOT ADOPTED 02/14/2018

1 On page 14, line 9 of the amendment, after "July 1," strike
2 "2020" and insert "~~((2020))~~ 2025"

3 Beginning on page 14, line 10 of the amendment, strike all of
4 section 13 and insert the following:

5 "**Sec. 13.** RCW 80.36.650 and 2016 c 145 s 1 are each amended to
6 read as follows:

7 (1) A state universal communications services program is
8 established. The program is established to protect public safety and
9 welfare under the authority of the state to regulate
10 telecommunications under Article XII, section 19 of the state
11 Constitution. The purpose of the program is to support continued
12 provision of basic telecommunications services under rates, terms,
13 and conditions established by the commission during the time over
14 which incumbent communications providers in the state are adapting to
15 changes in federal universal service fund and intercarrier
16 compensation support.

17 (2) Under the program, eligible communications providers may
18 receive distributions from the universal communications services
19 account created in RCW 80.36.690 in exchange for the affirmative
20 agreement to provide continued services under the rates, terms, and
21 conditions established by the commission under this chapter for the
22 period covered by the distribution. The commission must implement and
23 administer the program under terms and conditions established in RCW
24 80.36.630 through 80.36.690. Expenditures for the program may not
25 exceed five million dollars per fiscal year; provided, however, that
26 if less than five million dollars is expended in any fiscal year, the
27 unexpended portion must be carried over to subsequent fiscal years
28 and, unless fully expended, must be available for program
29 expenditures in such subsequent fiscal years in addition to the five
30 million dollars allotted for each of those subsequent fiscal years.

31 (3) A communications provider is eligible to receive
32 distributions from the account if:

1 (a)(i) The communications provider is: ((+i)) (A) An incumbent
2 local exchange carrier serving fewer than forty thousand access lines
3 in the state; or ((+ii)) (B) a radio communications service company
4 providing wireless two-way voice communications service to less than
5 the equivalent of forty thousand access lines in the state. For
6 purposes of determining the access line threshold in this subsection,
7 the access lines or equivalents of all affiliates must be counted as
8 a single threshold, if the lines or equivalents are located in
9 Washington;

10 ((+b)) (ii) The customers of the communications provider are at
11 risk of rate instability or service interruptions or cessations
12 absent a distribution to the provider that will allow the provider to
13 maintain rates reasonably close to the ((benchmark)) criteria; and

14 ((+c)) (iii) The communications provider meets any other
15 requirements established by the commission pertaining to the
16 provision of communications services, including basic
17 telecommunications services; or

18 (b) The provider demonstrates to the commission that the provider
19 is able to provide the same or comparable services at the same or
20 similar service quality standards at a lower price.

21 (4) A communications provider that previously received funding
22 under subsection (3) of this section, and that demonstrates to the
23 satisfaction of the commission that it will continue to provide
24 adequate service, must be given priority for funding over other
25 providers applying for funding.

26 (5)(a) Distributions to eligible communications providers are
27 based on ((a-benchmark)) criteria established by the commission.
28 ((The benchmark is the rate the commission determines to be a
29 reasonable amount customers should pay for basic residential service
30 provided over the incumbent public network. However, if an incumbent
31 local exchange carrier is charging rates above the benchmark for the
32 basic residential service, that provider may not seek distributions
33 from the fund for the purpose of reducing those rates to the
34 benchmark.))

35 (b) To receive a distribution under the program, an eligible
36 communications provider must affirmatively consent to continue
37 providing communications services to its customers under rates,
38 terms, and conditions established by the commission pursuant to this
39 chapter for the period covered by the distribution.

1 (~~(+5)~~) (6) The program is funded from amounts deposited by the
2 legislature in the universal communications services account
3 established in RCW 80.36.690. The commission must operate the program
4 within amounts appropriated for this purpose and deposited in the
5 account.

6 (~~(+6)~~) (7) The commission must periodically review the accounts
7 and records of any communications provider that receives
8 distributions under the program to ensure compliance with the program
9 and monitor the providers' use of the funds.

10 (~~(+7)~~) (8) The commission must establish an advisory board,
11 consisting of a reasonable balance of representatives from different
12 types of stakeholders, including but not limited to communications
13 providers and consumers, to advise the commission on any rules and
14 policies governing the operation of the program.

15 (~~(+8)~~) (9) The program terminates on June 30, (~~(2019)~~) 2024, and
16 no distributions may be made after that date.

17 (~~(+9)~~) (10) This section expires July 1, (~~(2020)~~) 2025."

18 On page 16, line 21 of the amendment, after "July 1," strike
19 "2020" and insert "~~(2020)~~ 2025"

20 On page 16, line 24 of the amendment, after "~~(2017)~~" strike
21 "2019" and insert "2024"

22 On page 17, after line 2 of the amendment, insert the following:

23 "**Sec. 16.** RCW 80.36.660 and 2013 2nd sp.s. c 8 s 204 are each
24 amended to read as follows:

25 (1) To implement the program, the commission must adopt rules for
26 the following purposes:

27 (a) Operation of the program, including criteria for: Eligibility
28 for distributions; use of the funds; identification of any reports or
29 data that must be filed with the commission, including, but not
30 limited to, how a communication provider used the distributed funds;
31 and the communications provider's infrastructure;

32 (b) Operation of the universal communications services account
33 established in RCW 80.36.690;

34 (c) Establishment of the benchmark used to calculate
35 distributions; and

1 (d) Readoption, amendment, or repeal of any existing rules
2 adopted pursuant to RCW 80.36.610 and 80.36.620 as necessary to be
3 consistent with RCW 80.36.630 through 80.36.690 and 80.36.610.

4 (2) This section expires July 1, (~~2020~~) 2025.

5 **Sec. 17.** RCW 80.36.670 and 2013 2nd sp.s. c 8 s 205 are each
6 amended to read as follows:

7 (1) In addition to any other penalties prescribed by law, the
8 commission may impose penalties for failure to make or delays in
9 making or filing any reports required by the commission for
10 administration of the program. In addition, the commission may
11 recover amounts determined to have been improperly distributed under
12 RCW 80.36.650. For the purposes of this section, the provisions of
13 RCW 80.04.380 through 80.04.405, inclusive, apply to all companies
14 that receive support from the universal communications services
15 account created in RCW 80.36.690.

16 (2) Any action taken under this section must be taken only after
17 providing the affected communications provider with notice and an
18 opportunity for a hearing, unless otherwise provided by law.

19 (3) Any amounts recovered under this section must be deposited in
20 the universal communications services account created in RCW
21 80.36.690.

22 (4) This section expires July 1, (~~2020~~) 2025.

23 **Sec. 18.** RCW 80.36.680 and 2013 2nd sp.s. c 8 s 206 are each
24 amended to read as follows:

25 (1) The commission may delegate to the commission secretary or
26 other staff the authority to resolve disputes and make other
27 administrative decisions necessary to the administration and
28 supervision of the program consistent with the relevant statutes and
29 commission rules.

30 (2) This section expires July 1, (~~2020~~) 2025.

31 **Sec. 19.** RCW 80.36.700 and 2013 2nd sp.s. c 8 s 211 are each
32 amended to read as follows:

33 (1) The universal communications services program established in
34 RCW 80.36.630 through 80.36.690 terminates on June 30, 2019.

35 (2) This section expires July 1, (~~2020~~) 2025."

1 Renumber the remaining sections consecutively and correct any
2 internal references accordingly.

2SSB 5935 - S AMD TO S AMD (S-5126.1/18) **664**
By Senator Short

NOT ADOPTED 02/14/2018

3 On page 26, line 29 of the title amendment, after "80.36.690,"
4 strike "and 53.08.370" and insert "53.08.370, 80.36.660, 80.36.670,
5 80.36.680, and 80.36.700"

6 On page 27, line 2 of the title amendment, after "providing"
7 strike "an expiration date" and insert "expiration dates"

EFFECT: Extends the USF program until 2025; allows the commission to designate additional providers as eligible to receive distributions from the universal communications services account if they can demonstrate they can provide the same or comparable services at the same or similar service quality standards at a lower price. Gives priority to previously qualified communications providers.

--- END ---